

REGULATION  
NO. [REDACTED]LOGISTICS  
DRAFT 26 March 1954

## SUPPLY

## ACCOUNTING

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## 1. GENERAL

This Regulation prescribes the system for the recording, maintenance, and disposition of property. The system will be set forth in detail in Agency Supply Handbooks. The system in essence is nothing more than a stock record system which records, reflects, and substantiates every transaction affecting supplies and equipment. It is designed to:

- a. Provide information concerning the quantity of material on hand, in use, and on order;
- b. Assist in verifying that material procured or requisitioned is received in the proper quantity and in proper condition;
- c. Record the location and condition of material on hand and issued for use;
- d. Establish the location of all nonexpendable property issued for use and the identity of the responsible user;
- e. Disclose all instances of loss, damage, or destruction of material in order that corrective action, if appropriate, can be taken; and
- f. Disclose excess, unserviceable, and salvageable material in order that proper repair or disposal action can be taken.

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## 2. PROPERTY CLASSIFICATION

For accounting and control purposes property is classified as expendable or nonexpendable as defined below:

- a. Expendable property is that material which is consumable or which loses identity in use. It includes such material as food, fuel, spare parts and material used to repair other articles of property or which becomes an integral part of other articles. Certain material of minor value not falling into the foregoing categories may be classified as expendable.
- b. Nonexpendable property is that material which is not consumed and retains original identity in use. It includes such items as vehicles, machine tools, weapons, and cameras. Certain items of minor value in this category may be classified as expendable.
- c. The Agency Supply Catalog will indicate the status of material as expendable or nonexpendable. (Items not listed in the Supply Catalog will be considered either as expendable or nonexpendable when they clearly fall into the classification of equal or similar items within the Supply Catalog and will be classified accordingly.)

## 3. ACCOUNTABILITY RECORDS

Accountable Officers are required to maintain the following basic records:

## a. STOCK RECORD CARDS

Stock Record Cards are a continuing record maintained for each line item of material. They are the record of every transaction affecting accountability together with the number of the voucher which substantiates the transaction in detail.

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## b. VOUCHERS

A voucher is a document or series of related documents which evidence a transaction on a Stock Record Card. A voucher itself is not a prescribed form but will usually be one of several forms used in the normal processes of procuring, requisitioning, issuing, and receiving or disposing of material. Normally, there are three types of vouchers.

- (1) Debit vouchers - documents such as receiving reports, purchase orders, and turn-in slips which list the items of material acquired and which therefore increase the balance on hand.
- (2) Credit vouchers - documents such as issue slips, requisitions, and shipping documents, which list items which have been issued and therefore decrease the balance on hand.
- (3) Adjustment vouchers - documents used to adjust differences between the Stock Record Cards and actual quantities on hand as disclosed by inventories; to reclassify material because of changes in nomenclature or condition; and to reflect any other changes in accountability occasioned by other than the normal processes of receiving and issuing material.

## c. ACCOUNTING FOR SPECIAL ITEMS

## (1) Accounting by Serial Numbers

Sensitive and expensive equipment which bear serial numbers, such as typewriters, weapons, cameras, watches, etc., will be accounted for by serial number except when otherwise authorized by the Chief of Logistics.

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(2) Accounting for Automotive Vehicles

- (a) In addition to maintaining regular Stock Record Cards for automotive vehicles, an individual automotive vehicle record will be maintained by the Accountable Officer for each separate vehicle. This record will contain the make, model, type, chassis number, original cost, date of purchase, motor number, a list of accessories attached to the car, and the name of the individual responsible for the vehicle.
- (b) The Chief of Logistics will maintain records for all Agency-owned vehicles to which an individual or organization holds title and will maintain, in addition to those records shown in paragraph (a) above, a "Declaration of Trust" properly authenticated and signed by the responsible individual.

d. MEMORANDUM RECEIPT FILES

A record of nonexpendable property issued from stock for use by responsible individuals (hereafter referred to as "memorandum receipt property") will be maintained by the Accountable Officer. This record will consist initially of a copy of each voucher, designated "Memorandum Receipt," reflecting the issue and return of nonexpendable property. Accountable Officers will issue a consolidated Memorandum Receipt to each responsible officer, at least semiannually, and upon change of responsible officers. Consolidated Memorandum Receipts will list all property properly chargeable. Responsible officers will verify consolidated Memorandum Receipt quantities with an inventory of property on hand and will report shortages and overages to the Accountable Officer. Responsible officers

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will at all times maintain a record of memorandum receipt property in their possession. Accountable Officers must pick up accountability for any overages reported and direct the submission of Reports of Survey for any shortages.

#### 4. ACCOUNT NUMBERS

Property records established by each Accountable Officer will be identified by station account numbers prescribed and published by the Comptroller.

#### 5. SPECIAL RESPONSIBILITIES OF ACCOUNTABLE OFFICERS

In addition to his normal supply duties (receiving and issuing material and properly recording all transactions), an Accountable Officer is responsible for ensuring to the best of his ability that all transactions are properly authorized in accordance with law and Agency Regulations. Further, each Accountable Officer has a general supervisory responsibility not only for the operation of the supply center under his jurisdiction, but for the general maintenance of effective controls over the use, care, and maintenance of issued material. This supervisory responsibility is to the official who has designated him an Accountable Officer and does not in any way alter the responsibility of individuals or their supervisors for the proper use and safekeeping of materials issued.

#### 6. APPLICATION TO VOUCHERS

In terms of the preceding responsibilities, a voucher, which is the basic document from which increases, decreases, and other changes are posted to Stock Record Cards and Memorandum Receipt files, does not reduce the pecuniary liability of an Accountable Officer unless:

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- a. The voucher or subsidiary documents evidence the fact that material was issued to persons authorized to requisition and receive such material.
  - b. Vouchers or subsidiary documents evidencing the receipt of material adequately explain any discrepancies between quantities and specifications of materials presumably purchased or otherwise acquired, and the quantities and specifications of items actually received, and indicate that appropriate action was taken to correct significant discrepancies.
  - c. Vouchers reflecting a reduction in accountability because of loss, damage, destruction, or any disposition of material other than by issue for consumption, issue on Memorandum Receipt or transfer to another Accountable Officer, are properly authorized in accordance with Agency Regulations.

#### 7. REQUIREMENTS FOR RELIEF OF ACCOUNTABILITY

Transactions which effect a reduction in accountability are classified below to reflect the essential differences between the types of transactions. The type of supporting documents and the approvals required to validate such transactions are significantly different and must be complied with before an Accountable Officer can claim relief from accountability and pecuniary responsibility for material entrusted to him for storage and issuance.

##### a. NORMAL CONSUMPTION, USE, OR TRANSFER

Vouchers reflecting normal issues for consumption, use, or transfer to another Accountable Officer must evidence that the transaction was in response to a requisition from an authorized individual and that delivery was made to such individual or a designated receiver. Nonexpendable equipment must be issued on Memorandum Receipt. The issuance of items

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## c. NORMAL ADJUSTMENTS

- (1) No substantial supply center and related accountability activity can function without the need to make adjustments occasioned by errors in the maintenance of records and in the counting of items received and issued. Adjustments are also required to reflect changes in nomenclature, stock numbers, and to reflect the loss of identity of items incorporated into other material as replacement or repair parts. Lastly, it is essential that continuous adjustments be made to reflect changes in the classification of material as either serviceable or unserviceable.
- (2) All such adjustments shall be reported to the Accountable Officer on an Inventory Adjustment Report as soon as the need for the adjustment becomes apparent. An explanation of the cause or need for the adjustment shall be provided for each item or group of analogous items appearing on the Inventory Adjustment Report. The report shall be reviewed and approved in detail by the official appointing the Accountable Officer and the report shall constitute adequate support for the adjustment made in the accountability records. Where the Chief of Mission or Station or head of a [REDACTED] field installation is the Accountable Officer, the report shall be submitted to the Chief of Logistics for review.
- (3) An approved Inventory Adjustment Report may only be used as final authority for the adjustment of accountability records when the circumstances necessitating the adjustments clearly do not indicate

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loss, damage, or destruction of supplies or equipment as the result of misuse or negligence on the part of any individual. In any case where the approving official believes that this may be the case, he shall delete the items from the Inventory Adjustment Report and direct that a Report of Survey be submitted. One copy of each Inventory Adjustment Report used to adjust discrepancies in the actual quantity of material and to change the status of material will be prepared by Accountable Officers for transmission to the Chief of Logistics. These will be submitted monthly. They will be reviewed by the Chief of Logistics to determine compliance with general concepts and for indications of field problems requiring headquarters action.

## d. LOSS, DAMAGE, OR DESTRUCTION

A suspense file of Reports of Survey shall be maintained for:

- (1) All property turned in on Memorandum Receipt where, in the opinion of the Accountable Officer, the property has been damaged or destroyed by factors other than normal wear and tear under conditions of authorized use.
- (2) All property held on Memorandum Receipt reported as lost or stolen.
- (3) Any items on an Inventory Adjustment Report for which a Report of Survey has been directed.

After final survey action has been taken by the appropriate approving authority, a conformed copy of the Report of Survey and the findings as to personal liability shall be filed by the Accountable Officer in support of the voucher reflecting the reduction in his accountability



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if the property is lost, stolen, or destroyed, or reflecting the adjustment necessary to transfer the property from serviceable to unserviceable classification where damage has occurred.

#### 8. DISPOSITION OF PROPERTY

a. All supplies and equipment are classified as:

Serviceable - Required  
Serviceable - Excess

Unserviceable - Repairable  
Unserviceable - Nonrepairable

Under varying circumstances, it will be desirable to dispose in the field of property which is excess, unserviceable-repairable, and unserviceable-nonrepairable.

- b. Before disposing of such property, the Accountable Officer must be in receipt of proper authority. In addition, if specific disposal instructions have not been received, he shall recommend the most appropriate method of disposition to his designating official. The latter shall approve the proposed method of disposition or direct other action, sending a copy of his determination to both the Accountable Officer and the appropriate finance officer. Final accountability for disposable property shall not be terminated until the property has actually been disposed of in accordance with the approved disposal instruction. The credit voucher dropping accountability must be supported by a Certificate of Disposition and all supporting correspondence pertinent to the disposition, and must evidence the delivery of the proceeds, if any, to the finance officer. When property is disposed of by destruction, such disposition will be witnessed by a disinterested individual who shall sign the Certificate of Disposition. [REDACTED] prescribes general policies on disposition of material.

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